

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56781; File No. SR-ISE-2007-93)

November 13, 2007

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change to Send P/A Orders through Linkage Prior to the Opening of Trading

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 1, 2007, the International Securities Exchange, LLC (“Exchange” or “ISE”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which items have been substantially prepared by the ISE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and is approving the proposed rule change on an accelerated basis.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The ISE proposes to amend ISE Rule 701 to permit the sending of Principal Acting as Agent Orders (“P/A Orders”)³ through the Intermarket Options Linkage (“Linkage”) prior to the opening of trading. This proposal would conform ISE Rule 701 to Joint Amendment No. 23⁴ of the Linkage Plan.⁵ The text of the proposed rule change is available at the ISE, at the Commission’s Public Reference Room, and at www.ise.com.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240. 19b-4.

³ See Section 2(16)(a) of the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage (“Linkage Plan”) .

⁴ See Securities Exchange Act Release No. 56780 (November 13, 2007) (File No. 4-429).

⁵ On July 28, 2000, the Commission approved a national market system plan for the purpose of creating and operating an intermarket options market linkage proposed by the Amex, CBOE, and ISE. See Securities Exchange Act Release No. 43086 (July 28, 2000),

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, its proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing to amend ISE Rule 701 to conform it to a proposed amendment to Section 7(a)(i) of the Linkage Plan. The proposed rule change will permit the use of Linkage prior to the opening of trading. Prior to the Commission's approval of Joint Amendment No. 23 to the Linkage Plan, the Linkage Plan did not permit use of Linkage before an exchange opens for trading and disseminates a quotation in an options series. In addition, there was no trade-through protection for opening trades. As a result, if there was a better market away at the time a Participant opens its market, the ISE Primary Market Maker ("PMM"), responsible both for the opening and for protecting customer orders, could not access that market for a customer. The customer thus could receive a price inferior to the national best bid and offer. This amendment to ISE Rule 701 will allow the sending of Linkage P/A Orders prior to the opening, allowing the PMM to access better markets on behalf of customers prior to the ISE's opening.

65 FR 48023 (August 4, 2000). Subsequently, Phlx, Pacific Exchange, Inc. (n/k/a NYSE Arca, Inc.), and BSE joined the Linkage Plan. See Securities Exchange Act Release Nos. 43573 (November 16, 2000), 65 FR 70851 (November 28, 2000); 43574 (November 16, 2000), 65 FR 70850 (November 28, 2000); and 49198 (February 5, 2004), 69 FR 7029 (February 12, 2004).

